

**Opening Statement of Chairman Fred Upton
Subcommittee on Energy and Power Hearing on the “Strategic Petroleum
Reserve Discussion Draft and Title VI Energy Efficiency”
April 30, 2015**

We have made significant progress in recent weeks as our bipartisan energy bill is beginning to take shape, and today we address two key components – updating the Strategic Petroleum Reserve (SPR) and improving the federal government’s energy efficiency initiatives.

It has been a full 40 years since the SPR was created in the aftermath of the Arab Oil Embargo as an emergency stockpile of oil. Fortunately, we never had the occasion to use the nearly 700 million barrel reserve except for relatively small withdrawals. Nonetheless, it continues to serve a useful role just in case we ever do have a major disruption in oil supplies.

The Department of Energy’s Quadrennial Energy Review has highlighted the fact that the SPR is showing its age. In fact, DOE and others are concerned that it is currently in no shape to respond to an emergency and that many upgrades are needed. We agree, and need to consider how to modernize the SPR.

But before we draw conclusions about what to do, our draft bill requires DOE to build on the work in the Quadrennial Energy Review and conduct a long-range strategic review of the SPR and recommend a plan of action.

On energy efficiency, we believe the federal government should first take all sensible steps to minimize its own energy use. Energy Savings Performance Contracts are one vehicle that allows the private sector to apply its energy efficiency expertise to federal facilities at no cost to the taxpayer. Provisions in the draft bill facilitate wider use of Energy Savings Performance Contracts throughout the federal government. There are other steps the federal government can take to reduce energy use, and the draft bill contains measures directed toward that end.

The bill also has provisions dealing with energy efficiency in appliances and buildings, including improved information for consumers about energy use and more rigorous analysis of efficiency standards.

Though we may not agree on all the provisions discussed today, this hearing continues a very useful discussion that I hope will lead to bipartisan energy legislation.